

The Gazette of India



25.6.57.

EXTRAORDINARY

PART II—Section 3

PUBLISHED BY AUTHORITY

No. 333] NEW DELHI, THURSDAY, JUNE 20, 1957/JYAISTHA 30, 1879

MINISTRY OF COMMERCE AND INDUSTRY

NOTIFICATION

New Delhi, the 20th June 1957

S.R.O. 2070.—Whereas in the opinion of the Central Government it is expedient so to do:

Now, therefore, in exercise of the powers conferred by sub-section (1) of Section 12 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952), the Central Government hereby makes the following further amendments in the By-laws of the East India Cotton Association Ltd., Bombay, namely:—

In the said By-laws:—

I. In By-law 1, in the definition of 'Member' after the figures "36(2)" the figures '37', and after the figures '128(3)' the figures '128(6)' shall be inserted.

II. In By-law 31—

(1) for sub-clause (b) of clause (2), the following sub-clause shall be substituted, namely:—

"(b) the ruling spot prices of similar and other styles of cotton tenderable under the Hedge Contract, and"

(2) at the end of clause (2), the following shall be inserted, namely:—

"Provided, however, if at any time the price of the basic cotton rules above the price of any Jarilla growth, then the spot price for basic cotton shall be fixed at a rate not above the ruling spot price of Madhya Bharat Jarilla."

NOTE:—The provision contained in this clause shall be applicable for purposes of fixation of spot rate for basic cotton under By-laws 32, 52-B and 55".

III. In By-law 32—

(a) for clause (2) the following shall be substituted, namely:—

"(2) Subject to the proviso to clause (2) of By-law 31, the Board, on or about the due date of the Hedge Contract, shall fix and register the spot rate for basic cotton for the due date for the purpose of invoicing back under By-law 64, taking into account—

(a) the prices at which the cotton is sold in the Bombay spot market;

(b) the ruling spot prices of similar and other styles of cotton tenderable under the Hedge Contract; and

(c) the spot price of cotton in the interior market".

IV. In By-law 36—

(a) for clause (7) the following clause shall be substituted, namely:—

“(7) The award of the surveyors, arbitrators or umpire where no appeal is preferred, and the unanimous or majority award of the panel where no super appeal is preferred, and the unanimous or majority award of the Super Appeal Committee where a super appeal is preferred shall be final and binding on the parties”.

(b) in clause (8) for the words, “In arbitrations and appeals on quality no person shall disclose to a Surveyor, arbitrator or umpire or a panel” the words, “In arbitrations, appeals and super appeals on quality no person shall disclose to a surveyor, arbitrator or umpire or a panel or a member of the Super Appeal Committee” shall be substitute.

V. After By-law 36, the following By-law shall be inserted, namely:—

37. Super Appeal Committee.—The Board shall from time to time constitute a Super Appeal Committee consisting of five persons who shall either be members or authorised or nominated representatives of members, one of whom shall be the Chairman of the Board, who shall be Chairman of the Committee. Out of the remaining four persons, two persons shall be chosen by drawing lots and they, including the Chairman, shall form the Super Appeal Committee for the day, irrespective of whether or not a member so chosen had his turn the previous day. If the Chairman is not available then three persons chosen as above, shall nominate the Chairman of the Committee for the day. The function of the Super Appeal Committee shall be to decide appeals against awards of the panel of surveyors. An appeal shall lie to such Committee from the award of the Panel of Surveyors in respect of Hedge Contracts only if lodged with the Secretary before 12-20 P.M. on the next working day following such award, accompanied by a fee of Rs. 250/- . Each member of the Super Appeal Committee present at the hearing shall receive out of such fee Rs. 25/- . The balance thereof shall belong wholly to the Association provided that if the appeal is successful, the sum of Rs. 125/- shall be refunded out of such balance to the applicant. If a member of the Super Appeal Committee is interested in any appeal another member of the Committee out of the remaining number shall be chosen to dispose of that appeal. If the requisite number of disinterested members is not available then the Chairman shall be entitled to nominate a person or persons temporarily to be a member or members of the Committee. If any vacancy arises in the Super Appeal Committee, the same shall be filled by the Board. The Super Appeal Committee shall regulate its own proceedings. Every decision of the Super Appeal Committee shall, in the event that the members of the Committee are not unanimous, be by a majority vote and the award given unanimously or by a majority shall be in writing and signed by the Chairman of the Committee.

Whenever used in these By-laws the expression ‘final award’ shall mean an award of the Super Appeal Committee under this By-law if there has been such appeal and the award of the surveyors or umpire where no appeal is preferred to a Panel of Surveyors and the award of the Panel of Surveyors, if an appeal shall have been preferred to it.

VI. In By-law 47-A existing clause (2) shall be renumbered as clause (3) and before clause (3) as so renumbered, the following shall be inserted namely:—

“(2) Notwithstanding anything contained in clause (1), trading in Hedge Contract shall not be permitted above Rs. 30/- below the ceiling price fixed by the Textile Commissioner for the basic cotton, provided, however, that the aforesaid restriction shall not apply during the delivery period in respect of business done either for liquidation of outstanding transactions or jobbing business permitted under By-law 50(g)”.

VII. For By-law 47-AA, the following By-law shall be substituted, namely:—

“47AA. Deposits to be paid in Clearing House in certain cases.—(1) If, on any day at the close of business in the Trading Ring, the price of the Indian Cotton Contract shall have risen above Rs. 70/- below

the ceiling price (which price of Rs. 70/- below the ceiling price is, in this clause, referred to as the marginal line) the Chairman shall forthwith cause a notice to that effect to be posted on the Notice Board and every Member shall on the day following deliver to the Clearing House a statement showing number of bales outstanding as purchases and sales on his own account as well as on his clients' account as on the day of the notice and shall pay into the Clearing House a deposit calculated as under:—

- (i) If the price rises above Rs. 70/- below the ceiling price before the delivery period, at the rate of Rs. 25/- per bale on net outstanding purchases shown in the statement;
 - (ii) If the price rises above Rs. 70/- below the ceiling price on or after the first day of the delivery month, at the rate of Rs. 200/- per bale on all the outstanding purchases on the day of such occurrence;
 - (iii) If the price rise referred to above shall have taken place before the delivery month and is continued on or after the first day of the delivery month, then the deposit on all open outstanding purchases on the first day of the delivery month, at the rate of Rs. 200/- per bale, after adjustment of the deposit lying with the Clearing House.
- (2) After the posting of such notice:—
- (i) Every member shall daily deliver to the Clearing House a statement showing outstanding purchases and sales on his own account as well as on his clients' account on the preceding day and shall pay, if payable, into the Clearing House a deposit calculated as above after adjustment or ask refund according to clause (6) of this By-law;
 - (ii) If on any day or days following, the closing rate is below the marginal line, then the member shall not be required to pay deposit on purchases made on that day or days following irrespective of the purchase price, but when the closing rate again rises above marginal line, then he shall have to pay deposit on his outstanding purchases on that day and subsequent days till the closing rate is again below the marginal line. Notwithstanding anything to the contrary contained in this By-law, no deposit shall be paid in respect of purchases effected by a Member to cover a short position.

(3) The Board shall have power to prescribe from time to time the form and contents of any statement to be submitted under this By-law.

(4) The Board shall also have the power to require any member to produce by himself or his clerk any books or documents in his possession, power or control in any way relating to any transaction shown in or alleged to have been omitted from any such statement.

(5) No deposit paid under this By-law shall carry any interest. As and when the purchases are liquidated or reduced before or during the delivery period, the deposit money to that extent shall be adjusted by Clearing House against any further deposits to be paid subsequently or if no such adjustment is required then it shall be refunded in the Clearing immediately following such reduction or liquidation of long position.

(6) Notwithstanding anything to the contrary contained in clause (5) hereof, the deposit shall be refundable to the buyer in case he received a tender through the Clearing House, on the day following the date of the final award in arbitration, or in the Clearing immediately following the date of receipt of the tender, whichever shall be earlier.

(7) The deposit paid under this By-law shall be repayable wholly, if the price of the Hedge Contract shall have continued to remain below the marginal line for a continuous period of 4 weeks, at the end of such period.

(8) A Member contravening or not complying with clauses (1), (2) and (4) hereof, or submitting an incorrect statement under the said clauses, shall be liable to be dealt with under By-law 17. In the event of a member failing to pay the deposit as required under this By-law, after being called upon by the Clearing House so to do, the Board shall be entitled to investigate the circumstances and if they consider the failure proved, they shall be further entitled to

order that the member's all outstanding transactions in respect of Hedge Contracts shall be closed out at such rates as may be fixed by them in that behalf and promptly cause a notice thereto signed by the Chairman to be posted on the notice board; and on the posting of such notice all such outstanding transactions of the member shall stand closed out as aforesaid and the deposit, if any, then standing to his credit under this By-law shall be subject to a lien in favour of such of the other members to whom he shall then be indebted in respect of the transactions closed out as aforesaid".

VIII. In By-law 50 in clause (g) after the words, "on the due date of such contract", the following words shall be inserted, namely:—

"but jobbing business shall be allowed during the delivery period provided the position at the close of the day is not altered thereby and no such transaction is carried forward for the next day"

IX. For By-law 51-A, the following By-law shall be substituted, namely:—

"51A. *Power of Forward Markets Commission to impose margins on Hedge Contracts.*—Notwithstanding anything contained in these by-laws, the Forward Markets Commission may, if the interest of trade or public interest so requires, impose margins on Hedge Contracts and by notice to Chairman specify the limit of the net open position of members over which the margin is leviable, and the rate thereof and the manner in which the said margin is to be collected. The Forward Markets Commission may from time to time make such variations as may be necessary or desirable in respect of the system of payment and/or the amount of margin payable in respect of the Hedge Contracts".

X. For By-law 51AA, the following By-law shall be substituted namely:—

"51AA. *Power of Forward Markets Commission to limit volume of Trade of Member.*—Notwithstanding anything contained in these by-laws, the Forward Markets Commission may, if the interest of the trade or public interest so requires, by order limit the volume of trade of any individual member."

XI. In By law 52-B—

(1) In clause (III), for the words "and 'on' and 'of' allowances for staple for all cottons, and in so fixing spot rates shall take into account (a) the price at which cotton is sold in the Bombay spot market and (b) the spot prices of cotton in the interior markets", the following shall be substituted, namely:—

"according to the provisions contained in clause (2) of By-law 31 and in the case of emergency being declared or continued during a delivery period the tendering differences shall be fixed according to the provisions contained in By-law 55".

(2) In clause (IV)—

(a) For the words, figures and letters "By-laws 55, 55A and of By-law 61(4) (b) (ii)", the words, figures and letter "By-law 55 and of By-law 61 (4) (b) (ii)" shall be substituted.

(b) The words, figures and letters "and provisions of By-law 47AA shall apply and the deposit payable thereunder shall become immediately payable" shall be omitted.

(3) In clause (V)—

(a) For sub-clause (b), the following sub-clause shall be substituted, namely:—

"(b) if the cotton tendered is other than basic cotton then the premiums and discounts as well as "on" and "off" allowances shall be subject to a weightage of 12½ per cent."

(b) In sub-clause (c) for the letters and figure "Rs. 20" the letters and figure "Rs. 6" shall be substituted.

(c) Sub-clause (e) shall be omitted.

(4) For clause (VI), the following clause shall be substituted, namely:—

"(VI) The tendering differences fixed by the Board pursuant to clause (III) hereof, shall, in respect of all tenders against Hedge Contract made on such tender day, by those of the preceding working day.

If owing to any emergency under this By-law tendering differences have not been fixed pursuant to By-law 55, and such emergency is deemed at an end in manner hereinafter provided during the currency of a delivery month, the Board shall have power to fix tendering differences for all tenders subsequent to the said declaration for the remainder of such delivery month".

XII. By-law 52C shall be omitted.

XIII. For By-law 52D, the following shall be substituted and renumbered as By-law 52C.—

"52C. *Emergency to be deemed to exist in certain cases.*—If on any day the rate of the Hedge Contract rises by more than Rs. 30/- or falls by more than Rs. 30/- per candy over or below the last settlement rate, then an emergency shall be deemed to exist and an automatic settlement clearing in respect of the Hedge Contract shall take place on the third working day thereafter, on the basis of the closing rate on the day on which the emergency shall be deemed to have existed. The relevant By-laws relating to normal Settlement Clearings shall apply to such Settlement Clearing".

XIV. For By-law 53, the following By-law shall be substituted, namely:—

"53. (1) For the purpose of hedging, there shall be one Hedge Contract styled "The Indian Cotton Contract".

(2) The basis of the Indian Cotton Contract shall be Fine M. G. Moglai Jarilla, staple 25/32" as per standard to be prepared from Jarilla cotton grown in the former State of Hyderabad, tenderable upto two classes 'on' and upto 'Good to Fully Good' for grade and upto 2/32" 'on' and 1/32" 'off' staple; values 'on' and 'off' for grade and 'on' and 'off' for staple.

(3) The descriptions of cotton and their respective basic staple lengths tenderable under the Indian Cotton Contract shall be as specified in column (2) of the Hedge Schedule appended to these By-laws. The maximum staple lengths tenderable shall be as specified in column (3) of the Hedge Schedule appended to these By-laws.

(4) The following standard samples for class shall be prepared for each of the descriptions specified in column (2) of the Hedge Schedule appended to these By-laws:—

Extra Superfine, Superfine, Fine (Basis), Fully Good, Good to Fully Good and Good.

(5) Cotton below the standard "Good to Fully Good" shall be rejected.

(6) The following standards for staple shall be prepared:—

24/32", 25/32", 26/32", 27/32", 28/32", 29/32", 30/32", and 31/32"

(7) Months of Delivery—March, May and August.

(8) Delivery Period—1st to the 25th of the month".

XV. In By-law 54, in sub-clause (5) of clause (a) the following words and figure shall be omitted, namely:—

"Provided that in the case of Moglai Jarilla, Dholleras and Rajasthan American, the staple length shall not be less by more than 1/32".

XVI. In By-law 54B, in sub-clause (b) of clause (9) for the figure and words "1 per cent", the figure and words "1/2 per cent", shall be substituted.

XVII. For By-law 55, the following By-law shall be substituted, namely:—

. "55. *Tendering differences.*—Tendering differences, that is—

"(a) Premia or discounts for descriptions of cotton tenderable other than basic cotton and for "class" or "grade",

"(b) "On" allowances for staples of 1/32" and 2/32" above the staple lengths specified in Column (2) of the Hedge Schedule appended to these By-laws but—up to 27/32" for basic M. G. Moglai Jarilla, M. G. Madhya Pradesh Jarilla, M. G. Madhya Bharat Jarilla, M. G. Khandesh Jarilla, M. G. Dhollera, M. G. Kalyan, M. G. Western and M. G. Rajasthan/American; upto to 28/32" for M. G. Vijay; upto 29/32" for M. G. Ankleshwar, R. G. & S. G. Punjab/American L.S.S. and 320F, M. G. Jayadhar (B), M. G. Laxmi (B), M. G. Gaorani 6 and

and 12, M. G. Buri/American and M. G. Parbhani/American; upto 30/32" for M. G. Surti, R. G. & S. G. Punjab/American 216F, M. G. Jayadhar (A), M. G. Laxmi (A) and M. G. Karunganni; upto 31/32" for M. G. Cambodia.

"(c) "Off" allowances for staples of 1/32" and 2/32" under the staple lengths specified in the Hedge Schedule appended to then By-laws; shall be fixed on or about the 25th of the month preceding the commencement of a delivery period. For the purpose of fixing such differences the Board shall appoint a Special Committee consisting of seven persons actively connected with the spot market and representative of all Panels. Five members of the Special Committee shall form a quorum and in the event of a quorum not being available, the Chairman or in his absence the Vice-Chairman of the Board shall appoint a duly qualified person or persons to enable a quorum to be formed. In the event of a member of the Special Committee being granted leave, the Board shall appoint a duly qualified person to fill the vacancy during the absence of such member on leave. The tendering differences fixed by the Special Committee shall be subject to a right of appeal to the Board on payment of an appeal fee of Rs 100/- provided the appeal is lodged with the Secretary within two working days from the date of the notification of the tendering differences so fixed. If the Board in such appeal shall modify any such difference and if in their opinion such modification necessitates consequential modification of any other differences fixed by the Special Committee they shall have power to do so notwithstanding that no appeal against any such other differences has been preferred to them. The tendering differences fixed by the Special Committee, subject to any modification in any appeal made by the Board, shall be applicable for all tenders of cotton against the Hedge Contract during the succeeding delivery month, and shall remain unaltered throughout such delivery period. The Special Committee and in the case of appeal, the Board, shall fix the tendering differences as under:—

"(1) The premia or discounts shall be fixed on the basis of the difference between the spot price of basic cotton and the spot rate of the descriptions for which the premium or discount is to be fixed, taking into account the spot price of the respective descriptions of cotton in the Bombay and interior markets; provided that the Special Committee, and in the case of appeal the Board, shall have a discretion to adjust such premia or discounts by adding to the premium or reducing the discount to the extent of not more than 50 per cent of the difference between the Hedge Contract rate and the spot rate for basic cotton.

Note:—The spot price for basic cotton shall be assessed in accordance with the provision contained in the proviso to sub-clause (2) of By-law 31.

(2) "On" allowances on the basis of the difference between the spot rates prevailing in the spot market for the basic staple of the description and 1/32" and 2/32" respectively above the basis staple, taking into account the spot prices for the respective staple lengths of the same description in the interior markets.

(3) "Off" allowances on the basis of the difference between the spot rates prevailing in the spot market for the basic staple of the description and 1/32" and 2/32" respectively below that basic staple taking also into account the spot prices for the respective staple lengths of the same description in the interior markets,
and

(4) Premia or discounts for 'class' or 'grade' by taking into consideration the spot rates fixed under By-law 31.

All appeal fees payable under this By-law shall be credited to the funds of the Association. In the event of an appeal being successful the entire fee shall be refunded."

XVIII. By-law 55A shall be omitted.

XIX After By-law 60, the following By-law shall be inserted, namely:—

- "60A. Certification of Cotton.**—(1) Cotton tendered against the Hedge Contract for the first time may be certified according to the final award in arbitration. The seller shall specify in the Delivery Order Forms 5 to 6 in respect of cotton tendered against Hedge Contract, the particulars regarding press marks, press running numbers and any other marks on the bales. A Controller appointed by the Association shall be selected for drawing of samples and for submission for survey. The Controller shall draw samples in the presence of the representatives of the seller and the buyer. His name shall be intimated to the parties while forwarding the Delivery Order to the buyer and while intimating the name of the last buyer to the seller. The cotton so tendered shall be certified according to the final award in arbitration under By-laws 36 and 37 and the Controller shall verify the Press Marks, Press running numbers and other marks on the bales at the time of weighment by the buyer and affix a stamp on each bale showing the number of the Certificate.
- (2) Notwithstanding anything to the contrary contained in By-laws 36 and 37 if the same bales are tendered again against the Hedge Contract, the buyer shall be bound to weigh over the same without any re-arbitration, subject however, to an allowance of 1 per cent payable by the seller to the buyer on the invoice value for August delivery only in respect of Vijay, Ankleshwar and Surti descriptions; provided, however, they bear the Press Marks, Press running numbers, the Controller's marks and any other marks, which shall tally with the particulars mentioned in the certificate.
- (3) In the case of upcountry delivery, the cotton certified as above shall be tenderable in Bombay.
- (4) The Controller's fee shall be fixed by the Board from time to time and shall be borne by the parties equally".

XX. For By-law 61, the following shall be substituted, namely:—

- "61. Rejection of Tenders.**—(1) Cotton will be considered *not a fair Tender* if it is declared not of the description sold, or if it does not conform to By-law 53 or By-law 54(a) (5), or is awarded as being below "Good" standard or if it is found to be fraudulently packed, in each of which cases the cotton shall be deemed to be rejected, and the buyer shall invoice it back to the seller at the spot rate of basic cotton of the day following that on which the final award is given under By-law 36, or in case of arbitrations other than those relating to quality under By-law 38 at such rate as may be fixed by the arbitrators or umpire and in case of appeal by the Board. Such a tender shall also be liable to a penalty as under:—
- (i) in the case of cotton awarded as being below "Good" standard, or below 1/16" in staple, if there be no appeal against such survey award, a penalty not exceeding Rs. 25 per candy as may be fixed and imposed by the Board;
- (ii) in other cases, a penalty not exceeding Rs. 50 per candy as may be fixed and imposed by the Board, provided that in any such case no penalty exceeding Rs. 25 per candy shall be fixed and imposed by the Board except with the approval of 75 per cent of the Directors present at its meeting.
- (2) In an arbitration on quality, if the cotton is awarded 'off', the award shall state the full allowance both for grade and staple (*i.e.* as opposed to allowance merely justifying rejection) and the length of staple.
- (3) If by the final award the cotton is not declared *not a fair tender* and the cotton tendered is less by not more than 1/32" than the staple length specified in column (2) of the Hedge Schedule appended to these By-Laws then the buyer shall be bound to take the cotton tendered.
- (4) If by the final award the cotton is not declared *not a fair tender* and—
 (a) the allowance awarded exceeds the difference between the class of the standard tendered against and the lowest class tenderable, or

- (b) the cotton tendered is less by not more than 1/16" than the staple length for such cotton specified in the Hedge Schedule appended to the By-Laws the buyer shall—
- (i) take the cotton with the allowance fixed by such award, in which case he shall so intimate to the seller by 1-30 p.m. on the day following the date of the award,
- or
- (ii) reject the cotton, in which case he shall invoice it back to the seller at the spot rate of the basic cotton fixed for the day following the date of such award; provided that in case such day be the due date or any day thereafter then at the spot rate fixed for the due date by the Board under By-law 32, together with a penalty of Rs. 3 per candy which shall be irrespective of any other penalty imposed under this By-law.
- (5) On invoicing back cotton which is *not a fair tender* by reason of being awarded as below "Good" standard, the buyer shall receive from the seller a penalty per candy as may be fixed and imposed in appeal or super appeal amounting to an "off" allowance minus the value of the difference in value between "Fine" and "Good".
- (6) On invoicing back cotton which is *not a fair tender* by reason of contravening the provisions of By-law 54(a)(5), the buyer shall receive from the seller a penalty per candy as may be fixed and imposed in appeal or super appeal, as the case may be.
- (7) No penalty or aggregate penalty fixed and imposed under clauses (5) and (6) hereof, shall exceed Rs. 25 per candy.
- (8) If by 1-30 P.M. on the day following the date of the final award the buyer being entitled to elect to take the cotton with the allowance awarded, he has not intimated such election, he shall be deemed to have rejected the cotton.
- (9) Buying on account in Hedge Contracts shall not be permitted except as provided in By-laws 52 B, 65, 96, 97 and 103.
- (10) For the purposes of working out the percentage referred to herein a fraction shall always count as an integer.
- (11) The expression final award for purposes of this By-law means the award in an arbitration if there is no appeal, or the award on appeal if there is no super appeal or the award on super appeal if there is a super appeal".

XXI. In By-law 64, the word "appropriate" shall be omitted.

XXII. For By-law 128, the following shall be substituted, namely:—

"128 *Fixing of standards*.—(1) The Surveyors appointed under By-law 35 shall prepare or cause to be prepared by such agency and at such times as the Board may from time to time decide or approve of, and subject to such instructions as the Board, may give, three sets of standards *viz*,

- (i) The Working Standards,
- (ii) The Appeal Standards, and
- (iii) The Reference Standards,

of various grades of cotton of the respective growths tenderable against the Hedge and Delivery Contracts and report the same to the Standards Committee referred to in clause (3).

(2) The surveyors shall also prepare or cause to be prepared in like manner, standards for staples 24/32", 25/32", 26/32", 27/32", 28/32", 29/32" 30/32" and 31/32", in length and report the same to the Standards Committee referred to in clause (3). Standards for staples upto and including 27/32" shall, as far as possible, be prepared from a Jarilla growth including 197/3 approved by the Standards Committee and for staples above 27/32" if such suitable cotton is not available then such standards shall be prepared from any suitable variety approved by the Standards Committee.

- (3) The Board shall from time to time appoint a Standards Committee consisting of five persons chosen from the Members of the Association or their authorised or nominated representatives for the purpose of passing the standards prepared or caused to be prepared by the Surveyors. The quorum for a meeting of the Standards Committee shall be three. The Board may grant an honorarium to the members of the Standards Committee.
- (4) The senior-most Surveyor shall, after the standards have been passed by the Standards Committee and before the fifteenth day preceding the commencement of each delivery period of the Hedge Contract report to the Board—
- (i) the number of standards prepared and passed,
and
 - (ii) the reason for not preparing or passing any other standard or standards.
- (5) The Secretary shall from time to time notify to members of the Association the passing of standards by the Standards Committee. It shall be competent to any member or members of the Association and the Textile Commissioner to inspect the same, on condition of not being touched in the case of standards for grades and to prefer an appeal against any standard or standards to the Standards Appeal Committee hereinafter referred to, within ten days from the date of such notification, on payment of advance of an appeal fee of Rs. 100 per standard. In the event of the appeal being successful, the fee shall be refunded to the Appellant.
- (6) The Board shall from time to time appoint a Standards Appeal Committee consisting of three persons, chosen from the Members of the Association, or their duly authorised or nominated representatives, including the Chairman of the Board, who shall be a member and *ex-officio* Chairman thereof. The Board may grant an honorarium to any member of such Committee.
- (7) After an inspection of the Standard or Standards appealed against, the Standards Appeal Committee shall have power to revise the same. The unanimous or majority decision of the Standards Appeal Committee shall be final and binding.
- (8) The complete sets of Standards shall be kept in possession of the Secretary in the Rooms.
- (9) The working Standards shall be available to the Surveyors or Umpire in surveys. The Appeal Standards shall be available to a panel of Surveyors for reference in appeals to the panel and to the Super Appeal Committee for reference in appeal to them against appeal awards and for inspection at any time by the Board. The Reference Standards shall mainly be available for the use of the Standards Committee as the basis for any revision of the Appeal and Working Standards. They may be sent away to such suitable places for dry storage as the Board may from time to time determine."

XXIII. In By-law 129, in clause (1)—

- (a) after the word "Surveyors" the words "Panel of Surveyors or the Super Appeal Committee" shall be inserted;
- (b) after the words "replace it" the words, "subject to the provisions of By-law 128", shall be inserted.

XXIV. In Bye-laws 137 and 148—for the words "Imperial Bank of India" wherever they occur the words "State Bank of India" shall be substituted.

XXV. For By-law 148B, the following By-law shall be substituted, namely—

"148B. *Statements of Business done.*—I (1) Every member of the Association shall prepare and send daily to the Clearing House, statements in such form or forms as may be prescribed by the Board from time to time and in accordance with the instructions contained in such form or forms.

- (a) showing particulars and information as to the sales and purchases affected in respect of Hedge Contracts with other members on

their own account and on behalf of other members and non-members.

- (b) containing a statement to the effect that in respect of constituents' business included therein, he has obtained statements in writing to the effect that none of them is a partner of any other member firm.
 - (2) Every member of the Association entitled to and making use of the Clearing House shall prepare and send to the Clearing House, along with each Balance Sheet submitted under By-law 148, statement in such form as may be prescribed by the Board from time to time, showing the amount of the Stamp Duty payable in respect of the sales and purchases so shown, and closed out transactions, and on each Inward Payment Day, and not later than the time specified in the Clearing House notice under By-law 148 for payments in of debt balance under Balance Sheets, pay into the Settlement Account of the Association with the State Bank of India, such sum as shall cover the stamp duty.
 - (3) Every member of the Association shall also—
 - (a) prepare and send to the Clearing House, every month, within a week of the expiry of the month, a statement in such form as may be prescribed by the Board, showing the sales and purchases of his non-member clients appropriated by him in respect of Hedge Contracts, during the period covered by the statement,
 - (b) whenever so required by the Chairman, submit statements in such form as may be prescribed (a) showing the contracts entered into by him on his own account separately, and (b) showing separately the transactions on behalf of each of the constituents, and (c) business of non-members appropriated by the member to himself.
 - (4) Where the Forward Markets Commission considers it expedient so to do, it may call for periodical information relating to Hedge or transferable specific delivery contracts or both entered into by members in such form and in such manner as may be specified.
- In particular, and without prejudice to the generality of the foregoing power such information may relate to—
- (i) contracts entered into by a member with another member on his own account,
 - (ii) contracts entered into by a member on behalf of each of his clients,
 - (iii) business of non-members appropriated by the member to himself.
- (5) A member contravening or not complying with clauses (1), (2), (3) and (4) hereof or submitting an incorrect statement under the same clauses shall be liable to be dealt with under By-law 17.

II. The Board or the Chairman thereof, if the Board shall have delegated the power to him as it is hereby authorised so to do, shall have power, for the purpose of verifying or checking any statement submitted by a member under clause I hereof, to call for the production of the books of any member or members, and/or to call for any explanation from any member or members. A member failing or neglecting to submit any such statement or to produce any such books or to give any such explanation, shall be liable to be dealt with under By-law 17."

XXVI. In By-law 150—for the words, figures and letters "On every Tender Day which is the due date whether or not it be a Monday, at or before 1-30 P.M." the following words, figure and letters shall be substituted, namely:—

"On every Tender Day which is the due date whether or not it be a Monday, at or before 3 P.M." ..

XXVII. In By-law 151—

- (a) After the words "when it is not the due date" the following shall be inserted, namely:—
"and 3 P.M., if it is a due date",
- (b) for the words, figure and letters "subject to the discount for variety as provided in By-law 55A or By-law 52B as the case may be" the words, figure and letters "subject to the discount for variety as provided in By-law 52B" shall be substituted.

XXVIII. After By-law 163B, the following By-law shall be inserted; namely:—

"163. Which *By-laws applicable to Vijay June, 1957 Delivery.*—For purposes of Hedge Contracts for Vijay June, 1957 Delivery, the provisions of the By-laws, Hedge Schedule and Forms noted hereunder as they stood immediately before the 20th June, 1957 shall be applicable namely—

By-laws 31, 32, 47A, 47AA, 50, 51A, 51AA, 53, 55, 55A, 61 and consequential amendments to By-laws 1, 36, 52B, 52C, 52D, 54, 54B, 64, 128, 129, 148B, 150, 151, Hedge Schedule, Form of Clients' Contract Note (Hedge), Forms C and D and Forms 5 and 6,

and for purposes of Hedge Contracts for crops of Cotton Season 1957-58 and thereafter, the said provisions as amended on the aforesaid date as well as new By-laws 37, 60A, and amendments to By-laws 137 and 148 shall be applicable".

XXIX. For the existing Hedge Schedule the following shall be substituted namely:—

HEDGE SCHEDULE.

Hedge Contract	Descriptions	Tenderable upto	Places where cotton is grown or pressed
I	2	3	4
Indian Cot- ton Con- tract.	M.G. Moglai Jarilla 25/ 32" staple, including Jarilla grown in Bomby State and Gaorani (Bani).	27/32"	All places in the districts of Medak, Ni- zamabad, Karimnagar, Watangal, Khamarn, Nalgonda, Mahbubnagar and Hyderabad of Andhra Pradesh State, Bidar and Gulbarga districts of Mysore State and Aurangabad, Parbhani, Bhir, Osmanabad and Nanded districts (parts of former State of Hyderabad) and Ahmednagar district of Bombay State.
"	M.G. Madhya Bharat Jarilla 25/32" staple, including Cambodia, Upland and Malvi.	27/32"	All places in the former States of Madhya Bharat and Bhopal (forming parts of present Madhya Pradesh State).
"	M.G. Madhya Pradesh Jarilla 25/32" staple, including (197/3) Vir- nar, Verum, M.P. Cambodia, H-420.	27/32"	All places in the Hoshangabad, Nimar and Chhindwara districts of Madhya Pradesh State, Buldana, Akola, Amra- vati, Yeotmal, Wardha, Nagpur, Bhandara and Chanda districts (Nagpur Division) of Bombay State (parts of Former State of Madhya Pradesh) and Adilabd district of Andhra Pradesh State (part of former State of Hyderabad).
"	M.G. Khandesh Jarilla 25/32" staple, includ- ing (197/3) Virnar.	27/32"	All places in the Nasik, East and West Khandesh districts (excluding Akkal- kuwa and Nawapur Talukas), Sholapur and Poona districts of the Bombay State and Bijapur district of the Mysore State (part of former state of Bombay).
"	M.G. Dhollera 25/32" staple, including cur- ch", "1027", "Kadi Viramgam", "Kada- yo", "Wagotor", "La- lio", "Kalagin".	27/32"	All places in the Gohilwad, Halar, Sorath, Madhya Saurashtra, Zalawar & Kutch districts or Rajkot division (former States of Saurashtra and Kutch) Banaskantha district & Patri and Kharaghoda villages of the Viramgam Taluka of Ahmedabad district of the Bombay State.

(1)	(2)	(3)	(4)
Indian Cotton Contract	M.G. Kalyan 25/32" staple including, certified cotton grown in Rajkot Division of Bombay State.	27/32"	All places in the Ahmedabad (excluding part of Ahmedabad district lying south of the river Sabarmati, part of Daskroi and city talukas, the whole of Dehgam taluka and Patri and Kharaghoda villages of Viramgam taluka) and Mehsana districts, Cambay and Petlad talukas in Kheda district of the Bombay State and Gohilwad, Halar, Sorath, Madhya Saurashtra, Zalawar and Kutch districts or Rajkot Division of the Bombay State provided the areas in which the cotton has been grown have been protected under the Cotton Transport Act 1923 or duly certified by the Department of Agriculture.
"	M.G. Rajasthan American 25/32" staple.	27/32"	All places in the State of Rajasthan excluding Shri Ganganagar district (Includes the former State of Ajmer).
"	M.G. Western 25/32" staple, including 881F, Umri Northern, Hagari I (Western Farm) and Nandyal 14	27/32"	All places in the Gulburga and Raichur districts (Parts of former State of Hyderabad) and the Bellary district of the Mysore State and Kurnool (Pathikonda, Adoni and Alur talukas), Anantapur and Cuddapah districts of the Andhra Pradesh State.
"	M.G. Vijay 26/32" staple including Digvijay, Nandurbar, Surti and Dchgam 1027.	28/32"	All places in the Broach (excluding Ankleshwar, Jhagadia and Dediapada Talukas, and part of Nandod Taluka lying South of the river Narbada and Hansot, Valia Sagbara Mahals), Baroda, Kheda (except the Talukas of Cambay and Petlad), Panch Mahals and Sabarkantha Districts, Nandurbar Taluka of West Khandesh District and part of Ahmedabad District (lying South of the river Sabarmati including part of Daskroi and City Talukas and the whole of Dehgam Taluka) of the Bombay State.
"	M.G. Ankleshwar 27/32" staple, including cotton grown at Ankleshwar, Rajpipla, Jhagadia, Netrang and Nawapur.	29/32"	All places in the Ankleshwar, Jhagadia and Nandod Talukas (Rajpipla), Hansot Mahal, Valia Mahal (Netrang), Dediapada Taluka and Sagbara Mahal of the Broach District and Nawapur and Akkalkuwa Talukas of West Khandesh District and Kim and Kosamba Talukas of Surat District of the Bombay State.
"	M.G. Surti 28/32" staple including Suyog and Vijlapa (2087)	30/32"	All places in the Surat District excluding Kim and Kosamba Talukas of the Bombay State.
"	R.G. & S.G. Punjab/American L.S.S. 27/32" staple.	29/32"	NOTE :— If certification by the Agricultural Department is continued and included in the Textile Commissioner's notification then certified 2087 cotton grown in Ankleshwar, Jhagadia, Rajpipla, Netrang, and Nawapur should be tenderable against Surti also.
"	R.G. & S.G. Punjab/American L.S.S. 27/32" staple.	29/32"	All places in the Ferozepore district of the State of Punjab and Shri Ganganagar district of Bikaner division of the State of Rajasthan.

(1)

(2)

(3)

(4)

Indian Cotton Contract	R G & S.G Punjab/American staple.	29/32"	All places in the State of Punjab and Shri-ganganagar district of Bikaner division of the State of Rajasthan.
"	R.S G & S G Punjab / American staple, including H-14 (uncertified)	30/32"	All places in the States of Punjab, Uttar Pradesh and Madras and Shri-ganganagar district of Bikaner Division of the State of Rajasthan
"	M G Jayadhar (A) staple.	28/32" 30/32"	All places in the Dharwar district and Sampagaon taluka of Belgaum district in the Mysore State (parts of former Bombay State).
"	M.G Jayadhar (B) staple	27/32" 29/32"	All places in the Belgaum (except Sampagaon taluka) and Bijapur district (parts of former State of Bombay), Chtaldrug district of the Mysore State and North and South Satara and Kolhapur districts of the Bombay State
"	M. G Laxmi (A) staple including M A S	28/32" 30/32"	All places in the Dharwat district and Sampagaon taluka of Belgaum district (parts of former Bombay State) and the Arskere taluka of Hassan district of Mysore State.
"	M. G Laxmi (B) staple	27/32" 29/32"	All places in the Belgaum (except Sampagaon taluka), and Bijapur districts (parts of former Bombay State) and Bellary district and Raichur district of Mysore State (part of former Hyderabad State), North & South Satara and Kolhapur districts of the Bombay State, Kurnool, Cuddapah and Anantapur districts of the Andhra Pradesh State.
"	M G Gaorani staple Including Gao-rami 6 & 12.	27/32" 29/32"	All places in the Parbhani, Nanded, Osmanabad districts and Mominabad taluka of Bhair district of the Bombay State; Bidar district of Mysore State and Nirmal Taluka of Adilabad district of Andhra Pradesh State (all parts of former State of Hyderabad)
"	M G Buri/American 27/32" staple, including Buri 107, Indore 1, Buri 0394, Udaipur American and Indore 2.	29/32"	All places in the Amraoni, Wardha, Nagpur, Chanda and Yeotmal districts of the Nagpur division of the Bombay State (part of former Madhya Pradesh State) and the Kotah and Udaipur divisions and Ajmer (former State of Ajmer), district of the Rajasthan State and Nimar district of Madhya Pradesh State and former Madhya Bharat State forming part of the State of Madhya Pradesh.
"	M. G Parbhani/American 27/32" staple.	29/32"	All places in the Kinvat taluka of Nanded district of the Bombay State, Adilabad, Utnoor and Boath Talukas of Adilabad district of Andhra Pradesh State (parts of former State of Hyderabad).

(1)	(2)	(3)	(4)
Indian Cotton Contract— <i>contd.</i>	M. G. Cambodia 29/32" staple, including Avanashi, Cambodia 31/32" Co 2, Cambodia Co 4 (including Co 4/B40 and Madras Cambodia Uganda (MCU) 1 & 2 otherwise known as Rajapalayam and also Cambodia Co 2 Co 4, 170-Co2 and 134-Co 2 M grown in the Bombay State.	31/32"	All place in the North Arcot, South Arcot, Coimbatore, Salem, Tiruchirappalli, Mathurai, Ramanathapuram, Tirunelveli and Chingleput Districts of the Madras State, Nellore and Chittoor Districts of the Andhra Pradesh State, Kerala State and in the State of Bombay in respect of Cambodia Co 2, Co 4 and 170-Co2 and 134-Co 2 M.
"	M. G. Karunganni 28/32" including Tinnevelly, Sales (Nadam, Bourbon and Uppam) Karunganni K2 and Karunganni K 5.	30/32"	All places in the Coimbatore, Mathurai, Ramanathapuram, Tirunelveli and Tiruchirappalli Districts of the Madras State.

NOTE.—A tolerance of 1/32" is allowed in respect of all the varieties mentioned above i.e., the Buyer shall be bound to take these cottons (tendered if they are less by not more than 1/32" than the staple specified in Column (2) above.

XXX. In the Official Client's Contract Note (Hedge) for the words, figures and letters—

"In addition to the above, I/We shall be entitled at any time and from time to time to call for margin at the rate of Rs. 5/- per bale under By-Law 51A" the following words figures and letters shall be substituted, namely:—

"In addition to the above, I/We shall be entitled at any time and from time to time to call deposit pursuant to the provisions of By-Law 47AA."

XXXI. In Forms C and D the abbreviation "No. ——" shall be omitted.

XXXII. In the "Official Clearing House Delivery Order Form" Form No. 5:—for the words beginning with the words "Particulars of Tender" and ending with the word "sample", the following shall be substituted, namely:—

"Particulars of Tender

50 Bales of _____ Cotton lying in _____

Press Marks on the bales	Press Running Nos. on the bales	Other marks on the bales, if any	Contract or last Settlement price	Terms
5 lbs. per 50 bales allowed for sample	*I/We hereby certify that the cotton has not been previously tendered and rejected during the current delivery period.	*The cotton tendered hereunder has been certified as per Certificate No. _____ dated. _____ issued by the Association.	*Strike off either if not appropriate."	

5 lbs. per 50 bales allowed for sample

*I/We hereby certify that the cotton has not been previously tendered and rejected during the current delivery period.

*The cotton tendered hereunder has been certified as per Certificate No. _____ dated. _____ issued by the Association.

*Strike off either if not appropriate."

XXXIII. In the "Pucca Delivery Order, Form 6"

(a) for the words and figures beginning with "Mark" and ending with the word "sample" the following shall be substituted, namely—

"Press Marks on the bales	Press Running Nos. on the bales	Other marks on the bales, if any	Contract or last Settle- ment Price	Terms

5lbs. per 50 bales allowed for sample.

** I/We hereby certify that the cotton has not been previously tendered and rejected during the current delivery period.

** The cotton tendered hereunder has been certified as per Certificate No. _____ dated _____ issued by the Association,

** Strike off either if not appropriate"

(b) Note shall be deleted.

In pursuance of the proviso to sub-section (4) of Section 12 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952), the Central Government in the interest of the Trade dispenses with the condition of previous publication of the amendments aforesaid in the Gazette of India and the Bombay Government Gazette.

[No. 45-Exp(18)/56-TMP.]

K. V. VENKATACHALAM, Jt. Secy.

